

Message Text

LIMITED OFFICIAL USE

PAGE 01 KUWAIT 05128 110907Z
ACTION NEA-10

INFO OCT-01 EA-10 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FPC-01 H-01 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06
OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 PA-01
PRS-01 /112 W

-----051571 110919Z /15

R 110800Z SEP 77
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC 8956
INFO AMEMBASSY ABU DHABI
USINT BAGHDAD POUCH
AMEMBASSY DOHA
AMEMBASSY JAKARTA
AMEMBASSY JIDDA
AMEMBASSY KUALA LUMPUR
AMEMBASSY TEHRAN
AMEMBASSY TOKYO

LIMITED OFFICIAL USE KUWAIT 5128

E.O. 11652: N/A
TAGS: ENRG
SUBJECT: KUWAIT OIL DEVELOPMENTS

REF: (A) KUWAIT 4755 (NOTAL), (B) KUWAIT 4742 (NOTAL).

1. UNIFIED PRICE FOR NEUTRAL ZONE OIL. LOCAL PRESS REPORTS
QUOTE KUWAIT'S MINISTER OF OIL KZAEMI AS ANNOUNCING IN KUWAIT
ON SEPT. 8 THAT KUWAIT AND SAUDI ARABIA HAVE AGREED TO "UNIFY"
THE PRICE OF OIL (I.E., CHARGE THE SAME PRICE) PRODUCED IN THE
KHAJJI OFFSHORE NEUTRAL ZONE FIELD AT \$12.10 PER BARREL AS OF
JULY1, 1977, HAVING REFUSED A REQUEST BY THE ARABIN OIL COMPANY
(JAPANESE) FOR A PRICE EIGHT CENTS PER BARREL LOWER THAN THIS
OFR OIL FROM THE ZONE. THE AGREEMENT WAS SAID TO HAVE BEEN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KUWAIT 05128 110907Z

REACHED AT THE OAPC MEETING IN SAUDI ARABIA LAST WEEK. ONE
PRESS REPORT HERE ALLEGED THAT THE ARABIAN OIL COMPANY HAD ALREADY
LOST SOME 301 MILLION YEN THIS YEAR ON OIL FROM
THE ZONE, DUE TO THE TWO TIER PRICE SITUATION UNDER WHICH
IT WAS FORCED TO TRY TO SELL THE KUWAIT HALF OF ITS HEAVY CRUDE
PRODUCTION AT A 5 PERCENT HIGHER PRICE THAN THE SAUDI
PORTION.

2. KUWAIT CRUDE PRICE REDUCTION. AFTER SPATE OF ARTICLES IN KUWAIT PRESS RE POSSIBLE REDUCTION IN KUWAIT OIL PRICE, KUWAIT TIMES OF SEPT. 10 FEATURED REPORT SOURCED TO "OFFICIALS" THAT CRUDE PRICE WOULD BE REDUCED 10 CENTS PER BARREL FROM \$12.37 TO \$12.27. ESSENTIALLY AS REPORTED EARLIER BY EMBASSY (REFS A AND B), OFFICIALS SAID KUWAIT AGREED TO THE REDUCTIONS "PROVIDED THE PURCHASING COMPANIES FULFILL THEIR COMMITMENTS TO TAKE THE CONTRACTED QUANTITIES IN FULL."

3. KAZEMI OFF TO INDONESIA AND MALAYSIA. OIL MINISTER KAZEMI LEFT SEPT. 8 FOR A WEEK OF VISITS IN INDONESIA AND MALAYSIA, DESCRIBING FOR REPORTERS THE PURPOSE OF HIS VISITS AS DISCUSSIONS OF BILATERAL PROJECTS AND, IN THE CASE OF INDONESIA, THE COORDINATION OF THEIR RESPECTIVE POSITIONS FOR THE CARACAS OPEC CONFERENCE. KAZEMI GOES FIRST TO THE INDONESIAN ISLAND OF BATAM, ACCORDING TO THE PRESS, TO INSPECT THE LOCATION OF THE PLANNED REFINERY THERE, A JOINT VENTURE FOR WHICH THE GOK IS EXPECTED TO PROVIDE 49 PERCENT OF THE CAPITAL.

4. AMINOIL TAKEOVER. ONE PRESS REPORT QUOTES KUWAITI OIL MINISTRY ASST. UNDER SEC. NUSEIR AS SAYING THAT THE GOK IS STILL AWAITING A REPLY BY AMINOIL TO THE GOK FINANCIAL PROPOSALS FOR TAKEOVER OF THE COMPANY'S ASSETS IN KUWAIT.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 KUWAIT 05128 110907Z

MAESTRONE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, PRICES
Control Number: n/a
Copy: SINGLE
Sent Date: 11-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KUWAIT05128
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770329-0407
Format: TEL
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770976/aaaacmnf.tel
Line Count: 95
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 3a218648-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 KUWAIT 4755, 77 KUWAIT 4742
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1315150
Secure: OPEN
Status: NATIVE
Subject: KUWAIT OIL DEVELOPMENTS
TAGS: ENRG, KU
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/3a218648-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009